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MASSACHUSETTS CLEAN WATER STATE REVOLVING FUND (SRF) PROGRAM

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Massachusetts Department of Environmental Protection
Division of Municipal Services
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INTRODUCTION

The Massachusetts State Revolving Fund (SRF) for water pollution abatement projects was established to provide a low-cost funding mechanism to assist municipalities in complying with federal and state water quality requirements. The SRF Program is jointly administered by the Division of Municipal Services of the Department of Environmental Protection (DEP) and the Massachusetts Water Pollution Abatement Trust. Each year DEP solicits projects from Massachusetts municipalities and wastewater districts to be considered for subsidized loans. The current subsidy level of 50% grant equivalency approximates a no-interest loan. In recent years the program has operated with $150 to $200 million per year, representing the financing of 40 to 50 projects annually. The SRF Program now emphasizes watershed management priorities. A major goal is to provide incentives to communities to undertake projects with meaningful water quality and public health benefits and which address the needs of the communities and the watersheds.

ELIGIBLE PROJECTS

Financial assistance is available for planning, design, and construction of projects, including new wastewater treatment facilities and upgrades of existing facilities; infiltration/inflow correction; wastewater collection systems; control of combined sewer overflows; and nonpoint source pollution abatement projects, such as landfill capping, community programs for upgrading septic systems (Title 5), and stormwater remediation. In addition, non-structural projects are eligible for SRF funding; e.g., planning projects for nonpoint source problems which are consistent with the DEP's Nonpoint Source Management Plan and that identify pollution sources and suggest potential remediation strategies.

PROJECT RATING

In order to be considered for SRF funding, a community must complete a Project Evaluation Form at the time of the project solicitation which DEP conducts during the Fall of each year. DEP will rank projects using a rating system which assigns points on the basis of various environmental, program, and implementation criteria. These criteria include the extent to which:

- the project will have demonstrable water quality benefits;
- the project will eliminate or mitigate a risk to public health;
- the project is needed to achieve or maintain compliance with applicable discharge permits or other water pollution control requirements; and
- the project implements or is consistent with watershed management plans (or addresses a watershed priority) and is consistent with local and regional growth plans.

PROJECT PRIORITY LIST AND INTENDED USE PLAN PROJECT LISTING

After evaluating the project requests submitted in response to the annual solicitation, DEP develops a list of projects eligible to receive financial assistance. From this annual list, and on the basis of projects' readiness to proceed and priority rating, DEP assigns projects to a fundable list, the Intended Use Plan Project Listing (IUP). Projects on the IUP are eligible to apply for financing in the coming year, with the total cost of all projects on the IUP not to exceed the amount of funding available for that year. To qualify for placement on the IUP, a project must have a high enough ranking, have received a local funding appropriation, or be scheduled for funding appropriation by June 30 of the coming year, and the applicant must be able to file a complete loan application no later than October 15 of the coming year.

FUNDING COMMITMENTS

In order for a community to obtain funding for a project on the IUP, it must file an Application for Financial Assistance and obtain a Project Approval Certificate from DEP. A complete loan application includes construction contract documents ready for bidding and evidence of compliance with any applicable environmental reviews and permits. Once the Department certifies that costs are eligible for funding from the SRF Program, the Massachusetts Water Pollution Abatement Trust (Trust) votes to issue the borrower a binding loan commitment. The Trust and the borrower then execute a Loan Agreement to secure the financing for the water pollution abatement project. The Loan Agreement establishes the security of the loan, repayment schedule, interest rates, and subsidies, as well as various procedural and regulatory requirements related to the DEP's oversight of the project.

To obtain additional information concerning the SRF Program, please contact one of the following regional program managers at the Department of Environmental Protection, One Winter Street, 5th Floor, Boston, MA 02108:

Northeast	Alan Slater	(617) 292-5749
Southeast	Robert Cady	(617) 292-5713
Central	Gustav Swanquist	(617) 556-1083
West	Stanley Linda	(617) 292-5736